



A Why, How and What in Humanistic Management

Humanistic Management Center
Addressing the root cause of global
socio-economic challenges

"Insanity is doing the same thing over and over again but expecting different results."

Business as usual will not solve the problems we face as a global community

We need business as *unusual*

Contents

1

Why Humanistic Management?

2

How Humanistic Management?

3

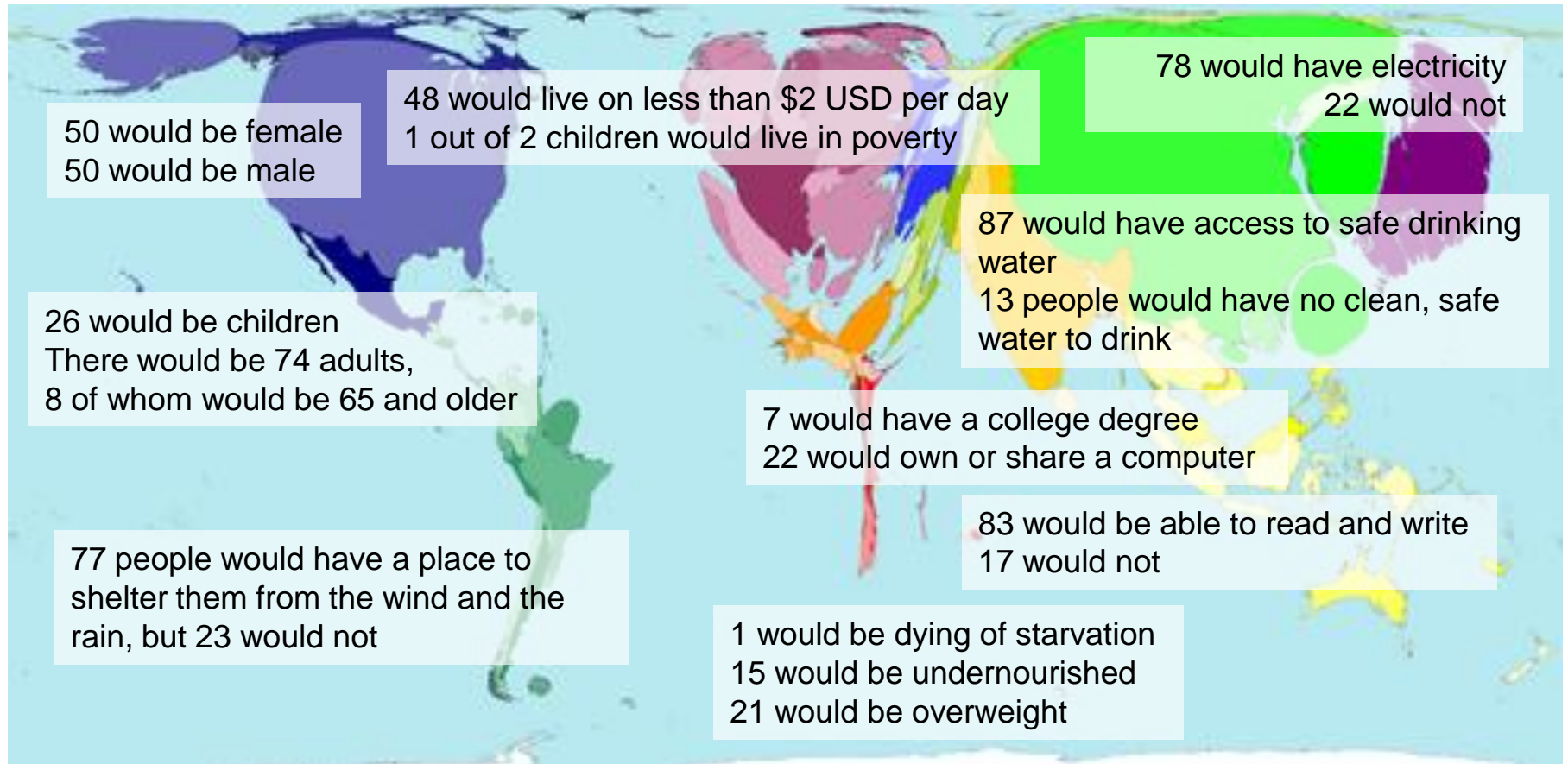
What Humanistic Management?

Amartya Sen's starting point

Country	GNP per head 1982 (USD)	Life expectancy 1982 (Years)	Infant mortality 1982	Child death rate 1982	Adult literacy rate 1980	Higher education ratio 1981 (%)
Sri Lanka	320	69	32	3	85	3
China	310	67	67	7	69	1
Mexico	2,270	65	53	4	83	15
Brazil	2,240	64	73	8	76	12
India	260	55	94	11	36	8

(Sen, 1985)

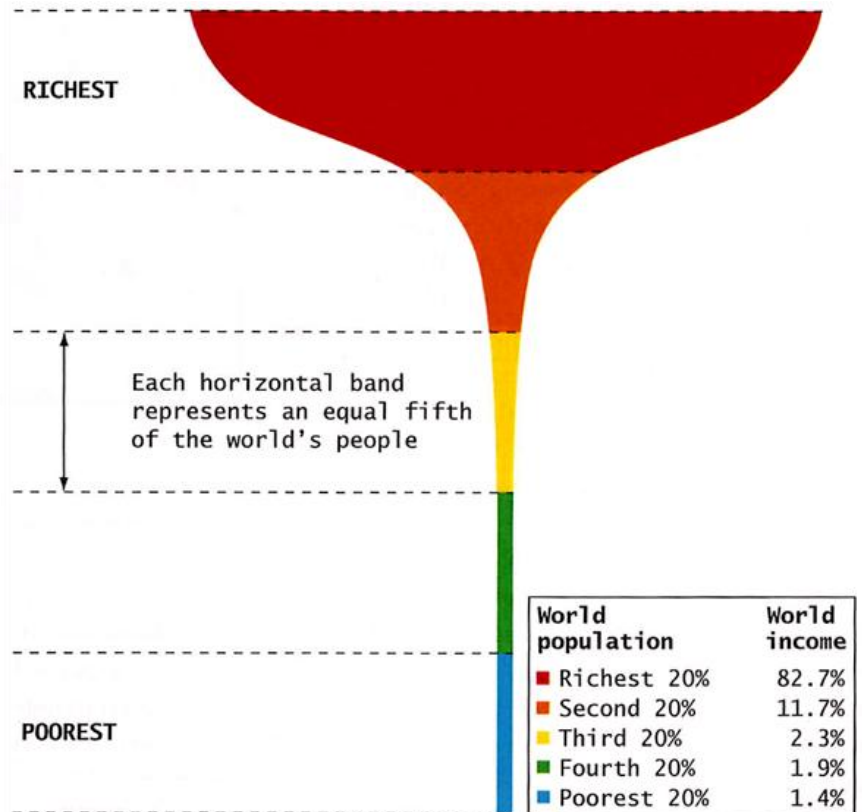
If the world were 100 people



Global wealth distribution

Finding solutions to the most pressing challenges we face today will also depend on the positive impact business makes

Business is currently seen as part of the problem by most of the world's population; we need to reverse this and make business part of the solution



Organizational Well being

Three types of employees

1

ENGAGED employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

2

NOT-ENGAGED employees are essentially “checked-out”. They’re sleepwalking through their workday, putting time – but not energy and passion – into their work.

3

ACTIVELY DISENGAGED employees aren’t just unhappy at work; they’re busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

70% do not like what they do

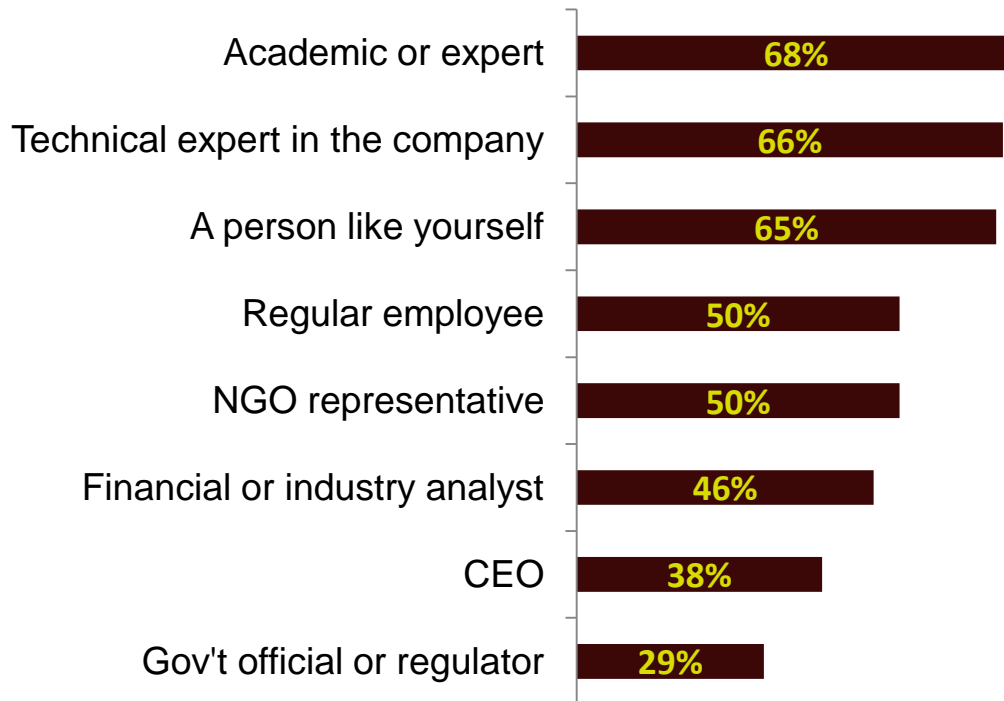
Around 30%

Around 50%

Around 20%

Gallup employee engagement study: <http://www.gallup.com/strategicconsulting/en-us/wellbeing.aspx?ref=f>

Credibility of spokespeople



Over 60 % of the informed global public do not think business leaders are trustworthy and over 70% do not think political leaders are trustworthy

Why Humanistic Management?

We need to reward
the creation of value -
not the extraction of value
nor the trading of value

Why Humanistic Management?

We need to use markets more wisely

Situation:

The combination of democratic government and market economies has had a hugely liberating effect on the individual and has created unprecedented wealth in the rich parts of the world.

Consequence:

We are talking about the negative side effects of a big success story. However these have become too grave to be ignored.

Complication:

We are facing a situation where the natural capacity of the planet as well as the inequality in wealth distribution is stretched to the point where we are biting the hand that feeds us.

Contents

1

Why Humanistic Management?

2

How Humanistic Management?

3

What Humanistic Management?

How Humanistic Management?

**Mental
Framing**

Drivers

**Management
Paradigm**

Mental Framing

~~B2B~~

Mental Framing

~~B2C~~

Mental Framing

~~B2G~~

Mental Framing

H2H



Mental Framing

Human2Human

Mental Framing

Human-centred organizations

operate under a mental framing that
sees business first and foremost as
human interaction

Business is people working with people
to create value for people

Drivers

Purpose
&
Legitimacy

Passion
&
Integrity

Empathy

Drivers: Purpose

Your purpose as a business is *not what you do but why* you do it and why society wants you to do it



"Too many people think only of their own profit. But business opportunity seldom knocks on the door of self-centered people. No customer ever goes to a store merely to please the storekeeper."

Kazuo Inamori: founder of Kyocera

Drivers: Legitimacy

You gain legitimacy as a business if your purpose, and the values that guide the way in which you pursue it are seen as desirable by society at large



“Free enterprise cannot be justified as being good for business. It can be justified only as being good for society“

Peter Drucker: management guru

Drivers: Passion

Passion is a reality when you are walking the extra mile without noticing it because anything less would feel wrong



“Passion isn't something that lives way up in the sky, in abstract dreams and hopes. It lives at ground level, in the specific details of what you're actually doing every day.”

Markus Buckingham: business author

Drivers: Integrity

Integrity means to do what you say and say what you do and to constantly work towards the unity of both

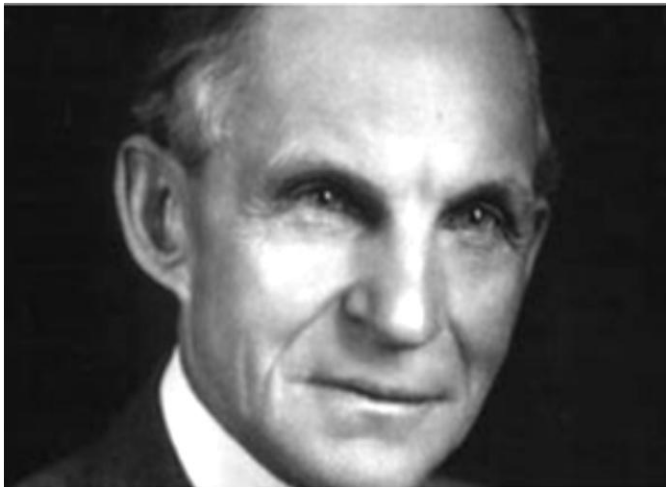


“As an entrepreneur, a reputation for integrity is your most valuable commodity. If you try to put something over on someone, it will come back to haunt you.”

Victor Kiam: Former owner of Remington Products

Drivers: Empathy

Empathy describes the capacity to imagine being in other people's position; it allows you to know what aims and needs others have, what makes them comfortable and what makes them upset



"If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own."

Henry Ford: founder of Ford Motor Company

Drivers

Human-centred organizations are purpose driven and legitimacy seeking, their members are passionate with integrity and are doing what they do with empathy

Management Paradigm

Three – stepped approach to humanistic management



Management Paradigm

Three – stepped approach to humanistic management

1

Unconditional
respect for
human dignity

- We rightfully expect our dignity respected under all circumstances, also in business environments
- Managerial tasks are frequently defined in ways that view people as instruments (human resources / human capital) rather than human beings
- A human centered management paradigm embraces each person as an end in itself, as worthy in him / herself
- It lays the foundation for aligning business goals and societal benefit to generate positive impact on both, the business and society at large

Management Paradigm

Three – stepped approach to humanistic management

2

Integration of
ethical reflection
in management
decisions

- We need to move from corrective to integrative business ethics
- Business as usual based on a singular success criteria is no longer an option as key stakeholders increasingly view it as ill-conceived
- A human centered management paradigm integrates the triple bottom line into managerial decision making
- Integrating strong values in management decisions leads to building fundamentally sustainable businesses from the core

Management Paradigm

Three – stepped approach to humanistic management

3

Active and
ongoing
engagement
with
stakeholders

- Stakeholder engagements do not always deliver desired results for either the business or stakeholders involved
- Productive stakeholder relationships are based on recognizing the intrinsic value of claims while refraining from an instrumental view on stakeholders
- In a human centered management paradigm stakeholders have a right to be heard and their concerns are genuinely taken serious
- In successful stakeholder engagements the power of the better argument supersedes factual power which in turn creates legitimacy and delivers innovation

Management Paradigm

Human-centred organizations

Have unconditional respect for human
dignity,

Integrate ethical reflection into
management decisions

and actively engage with their stakeholders

How Humanistic Management?

Mental Framing

All Business is
Human 2 Human
Business

Drivers

Purpose &
Legitimacy

Passion &
Integrity

Empathy

Management Paradigm

Human Dignity

Integrative Ethics

Stakeholder
Engagement

Contents

1

Why Humanistic Management?

2

How Humanistic Management?

3

What Humanistic Management?

The Humanistic Management Network

Protecting Human Dignity
Promoting Human Well Being



The Humanistic Management Center

Knowledge generation: Co-editing and contributing to books



Knowledge generation: Research Papers

Knowledge generation: Journalistic and other writings



The Humanistic Management Center

Knowledge dissemination: Internet Presence

- Approx. 15'k unique visits / month
- Twitter & Linked In
- Presence on various online networks



Imprint | Contact | follow us: [in](#) [t](#) [f](#) [v](#)

[Home](#) | [About Us](#) | [About Humanistic Management](#) | [Events](#) | [Knowledge Center](#) | [Learning](#) | [Application](#) | [Contact Us](#)

Knowledge dissemination: University teaching, guest lectures and conferences



Knowledge dissemination: Executive education



The Humanistic Management Center

Knowledge application: Advisory services





Humanistic Management Center

From Principles to Practice

Think Tank | Learning Institution | Advisory Firm

www.humanisticmanagement.org
ernst@humanisticmanagement.org

Humanistic Management Center
Hoehenweg 2
9000 St. Gallen
Switzerland